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City Power CEO Allays Fears of Business on Tariffs, Reinforces Commitment to Sustainable Energy Solutions

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City Power CEO Ms. Tshifularo Mashava has assured the business customers in Johannesburg that the entity was working on reviewing the annual electricity tariffs to cushion and attract businesses while saving jobs, and to ensure that there's a balance between the needs of customers with the operational realities it encounters.

During her engagement with the Johannesburg Chamber of Commerce on Thursday, February 13, 2025, Ms. Mashava emphasised the importance of the voice of the business customers in the year-to-year tariff review process, which is important for making sure that it accurately reflects the cost of supply while meeting regulatory and operational requirements.

"We would like to reassure customers that we remain steadfast in our commitment to minimising the impact of tariff adjustments on business customers and vulnerable communities. Our focus remains on providing affordable and reliable electricity to all residents, while also working closely with local businesses to ensure they have a stable power supply, which is essential for their sustainability, job creation, and the overall economy of our city and country," Ms. Mashava said.

Ms. Mashava took the opportunity to present to the business community some of the measures City Power is busy with to alleviate the impact of tariffs on businesses. She said one of the avenues was to encourage business to onboard alternative green energy working with City Power without being penalized for it. She cautioned against the Independent Power Producers that promise cheaper rates overlooking the extra tariff charges that these business customers will continue to carry.

The CEO urged businesses and new property developers to consider integrating green energy options into their operations through City Power. She said this would not only be more cost-effective than relying on external service providers but also supports our collective goals for a greener, more efficient, and more sustainable future.

"We are deploying our own renewable energy to support businesses who are exporting their goods to overseas markets that require clean energy as a prerequisite for production. City Power is continuing to modernize its network to support Wheeling and other energy trading requirements, she said.

"If a business customer opts to generate energy using their own service providers, they will still have to pay the cost of transporting that electricity into the premise, using City Power infrastructure. We need you to put solar energy, and as City Power we can't penalize you

Non-Executive Directors: M Kharodi (Chairperson of the Board), M Kekana, N Kgope, W Mathamela, S Mlauzi, P Mokhele, N Mtembu, S Nkwanyana, M Seopela, M Qhomane

Executive Directors: T Mashava (Chief Executive Officer), R Sadiki (Chief Financial Officer) - Company Secretary: M Smith
Registration number: 2000/030051/30 - VAT number: 4710191182

through the tariffs for that. We would however like to have you on availability of power tariff for in case the sun doesn't shine, and you need to use electricity," she added.

The CEO highlighted that City Power was ready to go out on a 20 year IPP tender in the coming days in a direct response to the sustained increase in Eskom tariffs, by Nersa.

"We are actively working on bringing in Independent Power Producers (IPPs) into our energy mix to avoid having to pay excessive rates, particularly in the winter period. Through collaboration with these IPPs, we will be able to provide electricity at more competitive rates, alleviating some of the financial pressures that we often have to absorb in the interest of our customers. We have already welcomed several IPPs to assist in our efforts to ensure that City Power can deliver reliable electricity without imposing unsustainable costs.

"About a year ago, council approved a plan for City Power to get into a 20-year agreement with IPPs, to ensure that the city remains energy secure, to sustain Joburg's economic development objective. In the coming weeks, we will be introducing the successful bidders of those IPP projects" said CEO Mashava.

One of the primary concerns raised by the public last year during the introduction of a R200 service charge on prepaid customers was that it was too expensive, especially for the low-income communities. Giving context to the introduction of that service charge, the CEO said "The R200 was implemented to ensure that residents in affluent areas, particularly those who have transitioned to prepaid meters, contribute to the maintenance and service costs, much like their postpaid counterparts. However, we do recognise the need for sensitivity towards our customers in lower-income areas. As part of our ongoing efforts, City Power is exploring avenues to exclude these customers from paying the R200 charge."

She says a lot of customers in affluent areas have moved from postpaid to prepaid to avoid having to pay for maintenance charges that are fixed in the postpaid charges and sitting at around R1000. That change in dynamics forced the entity to find ways to ensure that those well-off customers who transitioned to prepaid continue contributing towards those essential charges. "We are continuously reviewing our tariff methods and structures to ensure that the poor are cushioned from excessive increase. We are currently awaiting deliberations from NERSA regarding this year's tariff increase. "

Despite the challenges we face - such as ageing infrastructure, theft and vandalism, illegal connections, escalating Eskom prices, and adverse weather conditions, City Power is working hard on modernising its systems to improve efficiency and reliability. "We are also focused on enhancing energy security, promoting sustainable development, driving economic growth, and improving service delivery to uplift the quality of life for all our communities. As an entity that operates in the ever-changing energy landscape, we have taken a strategic decision to pivot into other key areas of energy."

She encouraged businesses to partner with City Power in securing infrastructure closer to their operations and extend their security coverage to include the electricity infrastructure, as the entity battles with vandalism and theft that contribute to disruption in electricity supply.

Ms. Mashava told members of the Johannesburg Chamber of Commerce and Industry that City Power is currently exploring the electric vehicle market, which will be its key focus this year, to expand its business portfolio and to ensure that the entity remains relevant. City Power will roll out the EV programme, introducing charging stations to power and sustain the mobility of electric vehicles. Details of this project will be announced soon.

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